

FEDERAL UTILITY PARTNERSHIP WORKING GROUP SEMINAR

Mississippi Power's UESC/ESCO Vetting

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Hosted by:



Mississippi Power Company

- Headquartered - Gulfport
- Subsidiary of Southern Company
- Serves 23 counties Southeast Mississippi
- 192,000 retail customers
- Generating capacity: 3,867,248 kW

- Large Federal presence
- UESC experience – 20 years

OUR CULTURE: Southern Style

- **Unquestionable Trust**
- **Superior Performance**
 - **Total Commitment**

MPC's UESC Approaches

- In-House
 - Business & Industry Services Department
 - Any size project
 - Relationships w/ local sub-contractors
 - Type of work: HVAC, WHR, Lighting, Water, Generators, Electric Distribution, Metering, Turnkey Installations, etc.
- ESCO Partnership

ESCO Qualifications

(Before choosing an ESCO)

- Must understand Utility's mindset
- UESC experience & working with Utilities (BOA & AWC)
- ESCO's knowledge of an Agency's requirements
- ESCO's relationship with financial institutions
- ESCO's strengths (technical & relationships)
- Interviews & references

- Minimum contract value?
- History completing projects on time (No Change Orders)

Selection Process

- Competitive process – each ESCO receives a RFQ packet from Supply Chain
- Safety record
- Price
 - profit, overheads, pricing methodology, PM hours
- Past performance
- Technical experience
- Engage Customer in the selection decision
- ESCO selection based on Best Value!
- Sub-Contractor's Agreement between MPC & ESCO

Key Components of the Agreement

- MPC acts as General Contractor
- Bonding capability
- ESCO performs design/engineering requirements
- ESCO hires sub-contractors
 - Input from MPC
- ESCO responsible for Performance Assurance

MPC's Involvement in the Project

- Start to Acceptance!
- Joint Collaboration
- Participate in and review PFA & IGA Audits
- Spearhead all meetings/conference calls
- Handle all communications, data requests
- Participate in Project Management
- Review and participate in financial institution selection process
- Verify accurate utility & escalation rates are used

Value to the Government

- Technical resources Utility brings to the table
- Competitive selection process
- Open book pricing
 - ESCO's & MPC pricing breakdowns
 - Ensures fair & reasonable pricing to the Gov't
- Joint Collaboration
- Government involvement/participation
- Utility responsible for the work contractually

Summary

- **Total Utility Involvement** – Customer's expectation
- Internal guidelines in place to make right decision selecting an ESCO
- ESCO must be good fit with Customer
- Learn from others
- Must be a win-win-win Partnership!

Thank You!

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